

Invoicing as a Mechanism for Combating Unlawful Speculation in Algerian Legislation



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Abstract:

This research paper emphasizes invoicing as a mandatory mechanism for combating unlawful speculation, ensuring market equilibrium, and curbing the informal economy. It underscores the critical role of invoicing in protecting consumers, enhancing their purchasing power, and preventing unwarranted price increases. Moreover, invoicing promotes tax equity and accountability among traders.

To achieve this, the Algerian legislator has established a set of procedural rules governing invoice usage. These rules regulate the trade of goods and ensure market transparency through regular monitoring. Invoices provide an accurate depiction of trade transactions and are instrumental in promoting transparency in economic, tax, and accounting practices. Recognizing this importance, the legislator has surrounded invoicing with a comprehensive framework of legal provisions.

key words: Invoice, Unlawful Speculation, Consumer, Market Participants, Trade Transparency, Monopolistic Practices, Tax Evasion.

Introduction:

Invoices serve as a critical tool for promoting transparency in commercial practices. They ensure that transactions between market participants adhere to the rules governing economic relationships. Trade practices, whether between businesses or between businesses and consumers, are grounded in principles of transparency and fairness, encompassing both the sale of goods and the provision of services.

To ensure this transparency, the Algerian legislator, through Law No. 04-02 defining the rules applicable to commercial practices (as amended and supplemented), has emphasized the importance of price notifications, tariffs, terms of sale, and invoicing.

Invoices act as a cornerstone for transparent trade practices, as mandated by Article 10 of Law No. 04-02 and Executive Decree No. 05-468. These regulations specify conditions for drafting invoices, transfer documents, delivery receipts, and comprehensive invoices. Additionally, Law No. 18-05 of May 10, 2018, on e-

commerce (published in Official Gazette No. 28 of May 16, 2018) reinforces invoicing obligations in Article 20: *“Any sale of a product or provision of a service through electronic communications shall require the issuance of an invoice by the electronic supplier...”*

While Algerian legislation does not explicitly define invoices, legal scholars have offered various interpretations. For example, Skafal and Maghrebi (2022) define an invoice as: *“A commercial document issued by the seller indicating the products, quantities, and agreed prices for the goods or services provided to the buyer.”*

Similarly, Mehri (2017) describes an invoice as: *“A written and financial document prepared at the time of sale or service provision to confirm the existence of this contract, including the terms of its conclusion and execution.”*

Invoices are pivotal in providing a clear and accurate representation of transparent and fair-trade transactions. They are vital for protecting consumers, boosting their purchasing power without exploiting circumstances to impose unjustified price increases, and safeguarding the national economy by combating monopolistic practices, tax evasion, and cross-border smuggling of goods and commodities.

From this point of view, we raise the following problems:

To what extent has the Algerian legislator contributed to institutionalizing an invoicing system to enhance commercial transparency and curb unlawful speculation?

To address this question, we employed a descriptive-analytical methodology, focusing on an in-depth analysis of relevant legal and regulatory texts. To comprehensively explore the subject, our study is divided into two topics:

1. The Legal Framework of Invoicing
2. The Effectiveness of Invoicing in Preventing Unlawful Speculation

The Legal Framework of Invoicing

Invoices are a critical mechanism for ensuring transparency in commercial practices. Algerian legislation mandates that every transaction between economic agents must be accompanied by an invoice or a substitute document. These invoices must be written, containing an original and one or more copies, and include specific mandatory information as prescribed by law. Additionally, economic agents are required to provide an invoice to the buyer upon request or immediately after the sale of goods or the provision of services. Sanctions are imposed for non-compliance with these regulations.

This section explores two key aspects: the requirements for drafting invoices and their substitutes (First Topic) and the penalties for violating invoice regulations (Second Topic).

First requirement: Requirements for Drafting Invoices and Their Substitutes

An invoice is a mandatory commercial document used between economic agents or between economic agents and consumers. It must be issued immediately upon the sale of goods or the provision of services. The invoice must contain information identifying both the seller or service provider (always an economic agent) and the buyer or recipient (who may be an economic agent or a consumer). The legislator has also defined substitute documents that can fulfill the role of an invoice, including commercial transaction documents, delivery receipts, and comprehensive invoices.

This topic is divided into two sections:

1. Requirements for Drafting Invoices
2. Substitute Documents for Invoices

First section: Requirements for Drafting Invoices

Article 3 of Executive Decree No. 05-468, dated December 10, 2005 (published in Official Gazette No. 80 on December 11, 2005), outlines the mandatory information that must be included in invoices. These details can be categorized into two main groups:

First: Information Related to the Seller

- Full name and surname (for natural persons).
- Legal name or trade name (for legal entities).
- Address, telephone number, fax number, and email address (if applicable).
- Legal status of the economic agent and the nature of the activity.
- Company capital (if applicable).
- Commercial registration number and statistical identification number.
- Payment date and invoice settlement date.
- Description and quantity of the goods sold and/or services provided.
- Unit price excluding taxes for the goods sold and/or services provided.
- Total price excluding taxes for the goods sold and/or services provided.
- Nature, type, and applicable rates of taxes, fees, or contributions based on the nature of the goods sold or services provided. (The VAT is not mentioned if the buyer is exempt from it.)
- Total price, including all taxes, written in both numbers and words.

Second: Information Related to the Buyer

As stated in the final paragraph of Article 3 of the same decree, invoices must include:

- Full name and surname (for natural persons).
- Legal name or trade name (for legal entities).
- Legal status and nature of activity.
- Address, telephone number, fax number, and email address (if applicable).
- Commercial registration number and statistical identification number.

If the buyer is a consumer, their full name, surname, and address must also be included.

The mandatory details related to economic agents are exhaustive and essential, as they ensure the invoice is precisely defined and free from ambiguity. This specificity provides the invoice with legal credibility, serving as proof against its issuer (Bekkar & Hassain, 2020).

Invoices must also bear the seller's signature and official stamp unless issued electronically. However, electronic invoicing is prohibited in cases involving the settlement of public expenses. The legislator has exempted economic agents engaged in public interest activities, who issue a significant number of invoices, from the signature requirement due to the nature of their work.

For an invoice to be legally valid, it must:

- Be clear and free from smudges, corrections, or overwriting.
- Be prepared using a specific invoice ledger (*cahier de factures*), regardless of its format, or digitally using an IT system.
- Contain the phrase "*Cancelled Invoice*" clearly marked along the diagonal if the invoice is voided.

Second section: Substitutes for Invoices

The Commercial Practices Law stipulates that certain documents can serve as substitutes for invoices, provided they meet the required legal conditions. These substitutes include: delivery receipts (First), comprehensive invoices (Second), and commercial transaction documents (Third).

First: Delivery Receipts

Article 11 of Law No. 04-02, dated June 23, 2004, defining the rules applicable to commercial practices (published in Official Gazette No. 41 on June 27, 2004), states in its first paragraph: *“The use of delivery receipts is permitted instead of invoices for recurring and regular commercial transactions involving the sale of products to the same customer. A comprehensive invoice must be issued monthly, referencing the relevant delivery receipts.”*

The term “customer” in this context applies to both economic agents and consumers, provided the consumer regularly and repeatedly purchases a specific product from the same economic agent and requests an invoice each time (Khadiji, 2016).

In accordance with Article 11 of the law and Articles 14, 15, 16, and 17 of Executive Decree No. 05-468, the following conditions must be met for an economic agent to use delivery receipts instead of invoices:

- The transaction must involve recurring and regular commercial activities with the same customer.
- The economic agent must obtain explicit authorization to use delivery receipts via a decision issued by the authority responsible for trade.
- The delivery receipt must include, in addition to the decision’s reference number and date authorizing its use, the name, surname, and identification of the person delivering or transporting the goods, along with the mandatory seller and buyer information required in an invoice.
- The delivery receipt must adhere to the same validity conditions for invoices specified in Article 10 of Executive Decree No. 05-468.

Second: Comprehensive Invoices

A comprehensive invoice must be prepared monthly, detailing all sales made by the seller to each customer during that period. These sales must correspond to the delivery receipts issued. The comprehensive invoice must include all mandatory information required in standard invoices, as well as the reference numbers and dates of the associated delivery receipts.

Third: Commercial Transaction Documents

The commercial transaction document is another substitute for an invoice, as outlined in Article 2 of Executive Decree No. 16-66, dated February 16, 2016. This decree defines the format of documents that can replace invoices and specifies the categories of economic agents required to use them (published in Official Gazette No. 10, dated February 22, 2016). According to this decree: *“The document issued by an*

economic agent when selling to a buyer, even if the buyer is not the final consumer but is responsible for selling the product on behalf of the economic agent.”

This document must include the agreed prices between the economic agent and the buyer, whether final or provisional, including minimum and maximum prices.

The use of commercial transaction documents is specifically applicable to economic agents operating in sectors such as agriculture, fishing, marine resources, crafts, and trades (Bekkar & Hassain, 2020).

The commercial transaction document performs the same functions as an invoice and is subject to the same legal provisions.

The commercial transaction document is designed to:

- Ensure transparency in transactions with honesty and integrity.
- Provide detailed information on the quantities sold and the prices applied to the relevant products and materials.
- Monitor and regulate commercial distribution channels, from production to distribution to the consumer.

Second requirement: Penalties for Violating Invoice Regulations

To protect the market from unfair competition and to uphold invoices as a tool for ensuring transparency in commercial practices, the legislator has introduced a series of preventive, punitive, and deterrent measures. These measures are aimed at halting the circulation of goods sold without invoices and ceasing services rendered without proper documentation.

This section addresses:

1. Non-Invoicing and Non-Compliant Invoices (First section)
2. Fraudulent and Favorable Invoices (Second section)
3. Penalties for Violations (Third section)

First section: Non-Invoicing and Non-Compliant Invoices

The legislator, through Articles 33 and 34 of Law No. 04-02, which outlines the rules applicable to commercial practices, defines violations related to non-invoicing and non-compliant invoices.

First: Non-Invoicing

Non-invoicing constitutes any breach of Articles 10, 11, and 13 of the law governing commercial practices. Examples of such violations include:

- Failure to issue an invoice or a substitute document for every sale of goods or provision of services between economic agents.
- Selling goods or providing services to a consumer without issuing a delivery receipt, commercial transaction document, or invoice, even when requested by the customer.
- Using delivery receipts instead of invoices for recurring and regular transactions with the same customer without obtaining authorization from the relevant authorities.
- Failing to issue a comprehensive invoice at the end of the month or issuing one without listing all the delivery receipts associated with the sales.
- Failing to present an invoice to control agents upon their first request or within the time limits set by the relevant administrative authority.
- Issuing invoices that omit essential details, such as the name or registered address of the seller and buyer, tax identification numbers, quantities, precise descriptions of the product or service, and the unit price excluding taxes.

The legislator considers the omission of this information equivalent to conducting commercial activities without issuing an invoice. Consequently, economic agents committing this act are subject to the same penalties as those who fail to issue invoices entirely (Skafal & Maghrebi, 2022).

Second: Non-Compliant Invoices

Non-compliant invoices are those that violate Article 12 of Law No. 04-02. Such invoices fail to include the mandatory information outlined in Executive Decree No. 05-468. Examples of missing or incomplete information include:

- The commercial registration numbers of both the seller and the buyer.
- The company's capital.
- The payment method and invoice settlement date.
- The total price, excluding all taxes, written in both numbers and words.
- The date of issuance and the invoice's sequential number.
- Information related to the economic agent, such as the seller or service provider.
- Consumer-related details.
- The seller's wet stamp and signature, except in cases exempted under Article 4 of Executive Decree No. 05-468.

- The nature of taxes, fees, or contributions, along with their applicable rates, based on the nature of the goods sold or services provided.
- Price increases as stipulated in Article 8 of Executive Decree No. 05-468.

Second section: Violations Related to Fraudulent and Favorable Invoices

To combat abuses and manipulations in commercial practices and to uphold transparency and fairness, the legislator issued the decree dated August 1, 2013, which defines fraudulent and favorable invoices and specifies the penalties applicable to such violations. This decree, published in Official Gazette No. 30 on May 31, 2014, was enacted pursuant to Article 65 of the Finance Law of 2003.

First: Fraudulent Invoices

Article 2 of the decree dated August 1, 2013, defines a fraudulent invoice as:

“An invoice issued without any actual delivery of goods or provision of services, for the purpose of:”

- Reducing the tax base for various taxes and fees.
- Concealing transactions.
- Transferring or laundering capital.
- Embezzling funds from assets or financing illegal or even lawful operations.
- Obtaining specific advantages, such as tax deductions for VAT or access to loans from banking institutions to finance investment projects.

Second: Favorable Invoices

Article 3 of the same decree states: *“A favorable invoice refers to any manipulation or concealment on an invoice regarding the identity or address of suppliers or customers, or the voluntary use of false identities or aliases. This practice aims to reduce the amount of taxes payable, embezzle funds from a company or individual, and use such funds for various purposes.”*

From the content of Articles 2 and 3, it is evident that both fraudulent and favorable invoices constitute violations of tax legislation.

Third section: Penalties for Violating Invoice Regulations

The legislator has prescribed penalties for economic agents who violate invoice regulations, in accordance with Articles 33, 34, and 37 of the Commercial Practices Law.

First: Penalties for Non-Invoicing and Non-Compliant Invoices

1. Penalties for Non-Invoicing

Article 33 of the Commercial Practices Law stipulates penalties for non-invoicing, stating: *“Without prejudice to penalties outlined in tax legislation, any violation of Articles 10, 11, and 13 shall be punishable by a financial penalty amounting to 80% of the value that should have been invoiced, regardless of its amount.”*

This provision also considers an invoice to be incomplete—and thus equivalent to non-invoicing—if it lacks any of the following mandatory details:

- The name or registered address of the seller or buyer.
- The tax identification number of the parties.
- The address and quantity of goods.
- The exact description and unit price (excluding taxes) of the products sold or services provided.

Economic agents who issue such incomplete invoices are subject to the same penalty—a fine amounting to 80% of the value that should have been invoiced.

2. Penalties for Non-Compliant Invoices

Non-compliant invoices include those that do not adhere to the requirements of Executive Decree No. 05-468, whether they are invoices, delivery receipts, comprehensive invoices, or transfer documents. Such non-compliance may result from omitting mandatory information, failing to meet the required conditions, or disregarding prescribed formats.

Article 34 of Law No. 04-02 prescribes penalties for this violation, stating:

“The issuance of non-compliant invoices shall be punishable by a fine ranging from 10,000 Algerian Dinars (10,000 DZD) to 50,000 Algerian Dinars (50,000 DZD).”
(Skafal & Maghrebi, 2022)

3. Penalties for Fraudulent and Favorable Invoices

Economic agents found guilty of issuing fraudulent invoices are subject to significant penalties. According to the decree dated August 1, 2013:

- Fine: Between 300,000 Algerian Dinars (300,000 DZD) and 10 million Algerian Dinars (10,000,000 DZD).
- Additional Penalties:
 - Confiscation of the goods involved in the violation.

- Publication of the judgment or its summary at the expense of the violating economic agent.
- In cases of repeat offenses, the fine is doubled, and the court may impose a temporary ban on the agent's commercial activities for up to 10 years.
- Imprisonment ranging from 3 months to 5 years.

Tax Fines for Fraudulent and Favorable Invoices

Article 4 of the decree dated August 1, 2013, also provides for tax penalties:

- A **tax fine equal to 50% of the value of the invoice** is imposed on individuals who issue fraudulent or favorable invoices, as well as on those who knowingly receive such invoices.
- Recovery of unpaid taxes and fees corresponding to reductions applied in the Professional Activity Tax, in accordance with the Direct Tax and Similar Fees Law.

The Effectiveness of Invoicing in Combating Unlawful Speculation

The Algerian legislator aims to ensure fair and free competition in the market, recognizing it as a cornerstone of a market economy. Among the practices that hinder fair competition is unlawful speculation, which is regulated by Law No. 21-15 dated December 28, 2021, on combating unlawful speculation (published in Official Gazette No. 99 on December 29, 2021). Unlawful speculation poses significant risks to both consumers and the national economy.

Article 2 of Law No. 21-15 defines unlawful speculation as: *“Any hoarding or concealment of goods or commodities to create scarcity in the market and disrupt supply, or any artificial increase or decrease in the prices of goods, commodities, or financial instruments, whether directly, indirectly, through intermediaries, electronic means, or any other fraudulent methods or means.”*

This section examines:

1. The effectiveness of invoicing in protecting consumers from unlawful speculation (First Section).
2. The role of invoicing in safeguarding the national economy (Second Section).

First requirement: The Effectiveness of Invoicing in Protecting Consumers from Unlawful Speculation

Consumers are often the weakest link in contractual relationships. For this reason, the legislator requires economic agents to issue invoices for every sale of goods or provision of services upon the consumer's request. Invoices serve as a tool for:

- Transparency in commercial practices (First section)
- Evidence in disputes (Second section)
- Price monitoring (Third section)

First section: Invoicing as a Tool for Transparency in Commercial Practices

Transparency is a foundational principle of Law No. 04-02, which seeks to protect consumers and promote fair competition among economic agents. By mandating invoices for transactions, the legislator ensures that all transaction details are accurately documented and subject to monitoring by relevant authorities (Meskine & Ben Hamad, 2020).

The transparency fostered by invoicing offers several benefits:

- **Authenticity of the Transaction:**

Invoices, with their detailed information, provide a true reflection of the agreement between the seller and the consumer. This allows authorities to evaluate whether the economic agent has fulfilled their obligations, including compliance with price regulations. It also helps identify practices such as false cost declarations, concealed price increases, or predatory pricing tactics.

- **Regulatory Compliance:**

Invoice details enable authorities to monitor compliance with rules related to promotional sales, tied sales, and other practices designed to protect consumers.

- **Market Oversight:**

The information contained in invoices allows the state to monitor commercial activities, ensuring adherence to consumer protection and competition laws (Khadiji, 2016).

By ensuring transparency through invoices, the legislator strengthens consumer protection rules and regulates commercial and economic activities effectively.

Second section: Invoicing as a Tool for Evidence

Invoices also serve as evidence in commercial relationships, a principle established in Article 30 of the amended Commercial Code (Law No. 15-20 dated December 30, 2015, amending Ordinance No. 75-59 of December 26, 1975, published in Official Gazette No. 71, dated December 30, 2015). Article 30 states: *“Every commercial contract may be proven by official documents, private documents, accepted invoices, letters, the parties’ records, testimony, or any other means deemed acceptable by the court.”*

For consumers, an invoice provides a basis to challenge the payment of the specified amount. The legislator has mandated specific details to be included in invoices to strengthen their evidentiary value (Meskine & Ben Hamad, 2020).

Economic agents include not only merchants but also producers (e.g., farmers and artisans) and service providers (e.g., doctors and experts). While these individuals may engage in civil rather than commercial activities, they are still required to issue invoices upon consumer request under Article 3/1 of Law No. 04-02, as they qualify as economic agents.

Invoices also serve as written evidence for consumer transactions. For instance, consumers cannot prove claims exceeding 100,000 Algerian Dinars against non-merchant economic agents without written evidence, as stipulated in Article 333 of the Civil Code. Consequently, invoices are crucial for consumers as a written proof.

Moreover, invoices and delivery receipts carry the same legal weight as private documents since they bear the stamp and signature of the economic agent. This makes them legally binding unless the agent explicitly denies the attributed signature or stamp.

The same principle applies to electronic invoices under Article 333 bis 1, which equates electronic writing with traditional paper-based documentation as proof (Ben Amour, 2021).

Third section: Invoicing as a Tool for Price Monitoring

The Algerian legislator considers the imposition of unlawful prices a form of unlawful speculation, as outlined in Chapter 2, Section 3 of Law No. 04-02. Article 36 specifies penalties for practices such as:

- Artificial price increases or decreases.
- False cost declarations.
- Manipulative practices aimed at concealing, increasing, or lowering prices.

Additionally, Articles 4 and 5 of Law No. 10-06 dated August 15, 2010 (amending Law No. 04-02, published in Official Gazette No. 46 on August 18, 2010), impose obligations on economic agents, including:

1. Submitting Price Structures:

Economic agents must deposit the pricing structures of goods and services with relevant authorities.

2. Avoiding Price Manipulation:

Agents must not manipulate the prices of goods or services, particularly those subject to regulated pricing or profit margins (Houhouche, 2023).

The legislator also considers market offers intended to disrupt prices or profit margins as a form of unlawful speculation.

Furthermore, invoices allow tax and customs authorities to determine dues and monitor compliance with tax and customs regulations.

Second requirement: The Role of Invoicing in Protecting the National Economy

Unlawful speculation includes individual or collective actions, often based on agreements, that manipulate the market to gain profit not derived from the natural application of supply and demand. As a financial document, invoices are referenced in both customs and tax legislation to ensure the treasury collects its due taxes.

This requirement addresses:

1. Combating monopolistic commercial practices (First section).
2. Reducing tax evasion (Second section).

First section: Combating Monopolistic Commercial Practices

This sub-section explores:

1. The definition of monopoly (First Point).
2. Examples of monopolistic commercial practices (Second Point).
3. The effects of monopolistic practices on the economy (Third Point).

First: Definition of Monopoly

While Algerian legislation does not explicitly define *monopoly*, the term can be understood through linguistic, legal, and operational lenses:

- **Linguistically:** Monopoly derives from the Arabic term *ihtikar*, which means hoarding goods in anticipation of higher prices (Latif, 2012).
- **Islamically:** Monopoly refers to hoarding goods in ways that harm society. It is broadly prohibited as it restricts resources and unfairly burdens individuals. Profits from such activities are deemed unlawful because they harm people and create hardship (Latif, 2012).
- **Operationally:** Monopoly is defined as an act that leads to control and dominance over the availability, quality, and pricing of goods or services, with the aim of eliminating competition or forcing competitors out of the market (Al-Gharib, 2004).

Monopoly, therefore, involves withholding goods to create scarcity and later selling them at elevated prices. Unlike monopolies resulting from natural market dominance or industrial success, this definition focuses on unlawful speculative practices designed to manipulate product availability and market dynamics for illegitimate profit.

Second: Examples of Monopolistic Commercial Practices

Ordinance No. 03-03, dated July 19, 2003, concerning competition (published in Official Gazette No. 43 on July 20, 2003), outlines several forms of monopolistic practices that restrict competition:

1. Agreements and Collusion to Restrict Competition:

Coordination or agreements among entities to limit market competition. This includes creating barriers to market entry or setting exclusive rules to prevent new entrants (Qadi, 2023).

2. Abuse of Dominant Market Position:

Exploiting a dominant position in a market to restrict or disrupt free competition. This includes leveraging economic power to limit competitors' opportunities or prevent their participation in economic activities (Qadi, 2023).

3. Abuse of Economic Dependency:

Article 3 of Ordinance No. 03-03 defines economic dependency as: “*A commercial relationship where one entity has no alternative but to accept the terms imposed by another entity, whether as a customer or supplier.*”

In such situations, businesses are forced to comply with terms dictated by the dominant party due to a lack of viable alternatives.

4. **Unfair Price Reductions:**

Article 12 of the same ordinance prohibits entities from offering prices or practicing sales at unfairly low rates relative to production, processing, or marketing costs if such practices aim to exclude competitors or hinder their products from entering the market.

Third: Effects of Monopolistic Practices on the Economy

Monopolistic practices negatively impact the economy in several ways:

- **Rising Prices and Limited Choices:**

Continuous price increases for monopolized goods reduce consumer options.

- **Stifling Innovation:**

Monopolists face no competition, discouraging innovation, renewal, and creativity.

- **Underutilization of Production Capacity:**

Monopolists deliberately restrict production to maintain limited supply, ensuring prices remain high.

- **Persistent Market Shortages:**

Artificial supply reductions and decreased production lead to chronic shortages.

- **Eliminating Free Competition:**

By suppressing competition, monopolists prevent the emergence of small and medium-sized enterprises, resulting in job losses and income inequality.

- **Economic Recession and Social Instability:**

Reduced consumption levels, economic stagnation, and political unrest can threaten societal and state stability (Qadi, 2023).

Second section: Reducing Tax Evasion

Tax evasion is defined as an illegal practice by individuals or companies to avoid paying due taxes, either by failing to report income, providing misleading information, or using unlawful methods to evade tax obligations (Gharib & Sheiban, 2024).

This sub-section will address:

1. Forms of Tax Evasion (First Point).
2. Consequences of Tax Evasion (Second Point).

First: Forms of Tax Evasion

Taxpayers may resort to one of the following methods:

1. Legitimate Evasion (Tax Avoidance):

This occurs when taxpayers organize their income sources to exploit loopholes in tax laws without violating the provisions of those laws. While technically legal, it represents a deliberate avoidance of tax obligations by leveraging inadequacies in the tax system.

2. Illegitimate Evasion:

This involves deliberate violations of tax laws, such as fraud and deception, to bypass legal obligations. Taxpayers engaging in illegitimate evasion breach regulations and instructions issued by tax authorities, committing financial crimes punishable by law (Eyada Alimat, 2013).

Second: Consequences of Tax Evasion

Tax evasion hinders a state's ability to implement its financial policies and achieve planned economic and developmental goals. This is primarily because tax authorities are unable to collect expected revenues needed for those objectives. The consequences of tax evasion manifest in several ways:

1. Harm to the Public Treasury:

Tax evasion reduces the revenue collected, leading to a decline in public funds and the state's inability to cover its public expenditures.

2. Erosion of Fiscal Equity:

It undermines the principle of fair distribution of the financial burden, creating an imbalance among taxpayers.

3. Increase in Tax Rates:

To compensate for revenue losses caused by tax evasion, governments may raise existing tax rates or introduce new taxes. This contradicts the principle of tax fairness and places undue burdens on compliant taxpayers.

4. Hindrance to Public Projects:

Tax evasion deprives the state of necessary funds, obstructing the implementation of projects that benefit society.

5. Spread of Financial Fraud:

Tax evasion fosters an environment of financial dishonesty, undermining public morality and societal solidarity. It also promotes corruption and bribery within financial systems (Mohammad Habaybah & Abadi, 2023).

Conclusion

The study revealed that invoicing is an effective mechanism for combating unlawful speculation. It serves as a tool for ensuring transparency in commercial transactions, monitoring prices, providing accounting documentation, and serving as evidence. Based on this analysis, the following conclusions were drawn:

- Invoices, with their mandatory information, are required for transactions between economic agents and optional between sellers and consumers.
- The legislator has identified alternatives to invoices for specific circumstances.
- Various forms of invoice violations have been regulated, including non-compliant invoices, lack of invoicing, fraudulent invoices, and courtesy invoices.
- Penalties for breaching invoicing regulations have been clearly outlined.
- Invoicing helps determine tax liabilities and ensures proper treasury collection, thus reducing tax evasion and protecting the national economy.
- Invoicing contributes to combating monopolistic commercial practices, which are classified as unlawful speculation.

Recommendations

In light of these findings, the following recommendations are proposed:

1. Increase Awareness and Education:

Strengthen efforts to educate economic agents and consumers about the positive role of invoicing as an effective mechanism to curb unlawful speculation and promote transparency in commercial practices.

2. Engage Civil Society and Media:

Actively involve civil society organizations and media outlets, granting them a significant role in regulating and addressing violations of transparency in commercial practices, and their impact on the proliferation of unlawful speculation crimes.

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